



February 2004

Missouri Producer

Missouri Farm Service Agency

Parkade Center, Suite 225
601 Business Loop 70 W
Columbia, MO 65203

Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

State Committee

Don Fischer, Chairman
Fred Ferrell
Julie Hurst
Craig Westfall
Barbara Wilson

Staff

Patty Dick, Administration
Dan Gieseke, Farm Loans
Bo Wendleton, Compliance
Gerald Hrdina, Conservation
Maurine Long, Price Support
Max Sell, Production Flexibility

National Hispanic Farmer, Rancher Conference

As part of FSA's on going outreach effort, we want to announce the first annual National Hispanic Farmer and Rancher Conference in San Antonio, Texas, on Feb. 22-25, 2004. The conference is being hosted by the Texas-Mexico Border Coalition, and will take place at the historic St. Anthony Hotel on the city's renowned Riverwalk.

The conference will begin at 5:30 p.m. on Feb. 22 with a networking reception. Speakers representing federal and state agencies, industry and academia will present information regarding state and federal farm programs, water issues, food safety, small farm initiatives and financial risk management.

Registration for the conference is \$200.00. For conference and registration information, contact Omar Garza at (956) 488-0534 or register online at <http://www.tm-bc.org>. For an additional \$25.00 each, conference participants can enjoy a pre-conference tour of historic Missions in the San Antonio area and/or a post-conference tour of an Exotic Game and Wildlife Ranch near Hondo, Texas. Please make plans to attend!

USDA's Response to "Mad Cow Disease"

Secretary Ann Veneman has been conducting periodic updates on the "mad cow" discovery that occurred in Washington during late December. The Animal and Plant Health Inspection Service (APHIS), with its highly trained staff of veterinarians, continues to be the central task force in charge of isolating the source of the outbreak of bovine spongiform encephalopathy (BSE).

APHIS is also coordinating its efforts with other USDA agencies such as the Food Safety Inspection Service, which has implemented several new meat inspection safeguards. Some of the new safety measures that are being implemented are: the Bovine Spongiform Encephalopathy Surveillance Program, prohibition of "specified risk materials" in human foods, requirements for disposition of downer cattle, prohibition of some tissues resulting from advanced meat recovery systems, and the prohibition of certain stunning devices used to immobilize cattle during slaughter.

USDA is adopting stringent meat inspection measures to maintain a safe and healthful supply of meat for consumers. Interested parties can get more information about BSE and food safety by calling 1-800-601-9327. Selecting option two will offer the caller a choice of several different contact numbers.

If you prefer to study BSE online, a good web page is www.aphis.usda.gov/lpa/issues/bse/bse.html. If you need to talk to a live person

Dates to Remember	
Today	Report changes to farming operation.
Feb. 16	Washington's Birthday – FSA offices closed
Mar. 15	NAP application closing for spring seeded crops (e.g., vegetables, oats)
	Spring sales closing date for crop insurance
Mar. 31	Deadline to apply for honey loans, LDP
	Graze Out application deadline
	Deadline to apply for loans, LDPs for small grains
April 1	Status date for payment limitation determinations
May 31	Deadline to apply for loans, LDPs for feed grains, soybeans, cotton, rice, sunflowers
June 1	DCP signature deadline
June 30	Final reporting date for small grains
July 31	Final reporting date for all other crops

for direction or clarification, the Farm Service Agency office staff is always willing to assist you in any way they can.

Tax Withholding for Non-Resident Aliens

When CCC payments are made to Non-Resident Aliens, FSA will automatically deduct a 30 percent withholding tax. However, if you are not a U.S. citizen and you receive FSA benefits, taxes will not be withheld if you can present a valid Green Card (I-551 or I-151). Exception: Withholding taxes will always apply to corporations having 10 percent or more foreign ownership.

Burley Tobacco Purchase to Increase in 2004

U.S. cigarette manufacturers plan to purchase 194.6 million pounds (farm sales weight) of burley tobacco during crop year 2004.

Major domestic cigarette manufacturers are required by statute to report annually to USDA their intended purchases of burley tobacco from U.S. auction markets and producers. In 2003, manufacturers' intended purchases totaled 184.9 million pounds.

Data on intended purchases, average annual burley exports for the preceding three years and the amount of tobacco needed to have a reserve stock level are used to determine the annual burley tobacco-marketing quota.

The 2004 quota, along with other program parameters, such as the support price and the no-net-cost assessment was announced Jan. 30, 2004. The national marketing quota for the 2004 burley crop is 302.1 million pounds, up from the 2003 quota of 287.8 million pounds. Marketing quotas limit the amount of tobacco a producer can sell in a given marketing year.

The 2003-04 burley tobacco-marketing year began Oct. 1, 2003, and ends Sept. 30, 2004. Burley tobacco is the main type of air-cured, cigarette tobacco that together with flue-cured tobacco account for more than 90 percent of total U.S. production.

Disaster Designations

Farmers and ranchers are some of the most tested people on the face of the planet. If it's not a flood, then it's drought or a tornado or a hurricane or an insect infestation or what have you. Often times following a disaster, the affected counties are designated as a primary disaster area, thereby making county producers potentially eligible for low cost emergency loans.

Have you ever wondered how those disaster designations come about? If so, check out FSA's new fact sheet, "Emergency Disaster Designation and Declaration Process," on the Web at www.fsa.usda.gov/pas/publications/facts/html/EMProcess04.htm.

Selected Interest Rates for February 2004	
90-Day Treasury Bill	0.875%
Farm Operating - Direct	3.750%
Farm Ownership - Direct	5.625%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency	3.750%
Farm Storage Facility	3.750%
Sugar Storage Facility	4.750%
Commodity Loans 1996- Present	2.250%

There are four different kinds of disaster declarations, but secretarial declarations are the most common type. Here, in a nutshell, is how the process works.

First, damages and losses prompting disaster designations must be due to a natural disaster; and a minimum 30-percent production loss of at least one crop in the county must have occurred.

A county judge or other local entity notifies the governor's office of the disaster conditions and losses. The governor makes a request in writing to the secretary of agriculture within three months of the ending date of the disaster.

FSA county offices gather agricultural loss information for the Damage Assessment Report. FSA's national headquarters notifies the state executive director, who instructs the affected county offices to complete the damage report, conduct County Emergency Board meetings and approve or disapprove the report.

The damage report is submitted to the State Emergency Board for review and processing. The state executive director prepares comments and recommendations. The state board reviews the damage report, and upon approval, it is submitted to FSA's national headquarters.

FSA's Emergency Preparedness and Programs Branch processes the loss information on the report, determines eligibility and prepares a package, including the letter of approval or disapproval, to be signed by the secretary. The office of the under secretary for Farm and Foreign Agricultural Services reviews the package and forwards it to the secretary. The secretary approves or declines the request in writing.

It generally takes 2 to 3 weeks from the time a request is received until the secretary approves or denies it. If a loss occurs early in the spring, FSA may wait until the completion of fall harvest before completing the damage report.

When a county is designated as a primary disaster area, eligible producers in that county and contiguous counties can apply for low-interest FSA emergency loans, provided other eligibility requirements are met.

FSA borrowers located in the affected counties, who are unable to make their scheduled payments on any debt, may be authorized to have certain set-asides. Under Section 331A of the consolidated Farm and Rural Development Act, FSA is authorized to consider setting aside certain payments to FSA to allow the borrower's operation to continue.

Eligible producers may borrow up to 100 percent of actual production or physical losses, not to exceed a total amount of \$500,000. Emergency loans are further limited to a maximum, cumulative principal of \$500,000 at any time.

Applicants must meet all standard loan eligibility requirements; and:

- * have eight months from the date of the designation approval to apply for the loans to help cover their actual losses;
- * must meet the agency definition of an established farmer, be citizens or permanent residents of the United States, and have suffered at least a 30-percent loss in crop production; and/or sustained a physical loss to livestock, livestock products, real estate, or chattel property;

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- * must have an acceptable credit history, yet be unable to receive credit from commercial sources;
 - * must have collateral to secure the loan and ability to repay the loan.

1099s Will Soon Be Arriving

During the last week of January, producers who have received payment from FSA will receive a CCC-1099 in the mail from our Kansas City office. A CCC-1099 is a report to the Internal Revenue Service about FSA payments made to you in year 2003. The CCC-1099 is a service to help you report taxable income. It is not intended to replace your responsibility to report income to the IRS.

If you receive a CCC-1099, we recommend that you check the amounts shown with your records to see that the amounts are correct. If you find the amounts are not correct, or if you have a question concerning the form contact us. If you choose to visit the office, bring the CCC-1099 with you so that we may more readily identify the questionable items. If there is an error, we will furnish you with a corrected form CCC-1099.

Farm Safety 4 Just Kids

Hey Kids! You can make a difference. Follow these safety rules.

- * Don't be an extra rider on a: tractor, lawn mower, ATV, 4-wheeler or dirt bike
- * Stay away from the PTO
- * Place warning decals on grain bins, wagons and trucks
- * Stay outside the fence when around livestock
- * Drink, touch and eat only what you know is safe
- * Lift only what you can handle
- * Listen when an adult gives you safety instructions
- * Be a safe distance away when the yard is being mowed
- * Don't do chores you have not been trained to do safely
- * Have written instructions to your farm by each phone in case of an emergency
- * Wear proper clothing when helping on the farm

Farm Safety 4 Just Kids, 1-800-423-5437, www.fs4jk.org.

Methods of Dividing Base

A farm, as defined by the Farm Service Agency, is made up of tracts of land that have the same owner and operator. When a change occurs in the ownership or operation of a farm, a farm reconstitution is called for, and the county FSA office staff must be promptly notified.

Dividing a farm into two or more resulting farms because of a change in

ownership or operation is called a farm division, and there are three methods for dividing a farm's crop acreage base:

- * Estate;
- * Designation by Landowner; and
- * Default (applicable to base acres for farm divisions only).

The estate method is the highest priority method. In this method, the farm's acreage base is divided according to the direction in a will. This method also may be used if all heirs sign a written agreement designating the division of base on the parent farm.

The designation by landowner method is the division of acreage base in the manner agreed to by the parent farm owner and the purchaser or transferee. This method is used when part or all of a farm or a tract is sold.

To use this method, the land that is sold must have been owned for at least three years, and the owner of the parent farm and the purchaser must file a signed memorandum of understanding designating bases. The MOU must be filed before the farm is reconstituted or there is any subsequent transfer of ownership. Owners who are thinking about selling any land are advised to obtain a written agreement on the division of base at the point of sale of the land.

When using the designation by landowner method, all sellers and buyers must sign an FSA-155.

The default method of dividing base acreage is used when the higher priority methods of estate and designation by landowner are not applicable. Using this method of division, each resulting farm receives the base that is allocated to the tracts of land associated with each farm.

To be effective for the current fiscal year, the farm division must be requested by Aug. 1 of the fiscal year for farms subject to the Direct and Counter-Cyclical Program.

A request for a farm division after current fiscal year DCP payments have been made will be processed in the following fiscal year. However, if the producer requests that the reconstitution not be processed in the following fiscal year, all payments shall be refunded. After the payment is refunded, the reconstitution may be processed.

For more information about farm reconstitutions, contact the county office staff.

Burley Tobacco Marketing Quota Referendum

Burley tobacco growers will vote Feb. 23-27, 2004, in a mail referendum, to decide whether marketing quotas on a poundage basis will continue for burley tobacco for the next three years. Ballots for the Burley Tobacco Marketing Quota Referendum will be mailed to active burley producers on Tuesday, Feb. 17, 2004. Voted ballots must be signed and returned either in person to the county FSA office by close of business on Friday, Feb. 27, 2004 or by mail, which must be postmarked by midnight Feb. 27, 2004, to be counted. Ballots will be counted Wednesday March 3, 2004.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD).